



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary
FROM: Office of General Counsel *Ed*
DATE: April 17, 1997
SUBJECT: MUR 3774 - General Counsel's Report

The attached is submitted as an Agenda document
for the Commission Meeting of _____
Open Session _____
Closed Session _____

CIRCULATIONS

72 Hour Tally Vote ☒ ☒
Sensitive ☒
Non-Sensitive ☐
24 Hour No Objection ☐
Sensitive ☐
Non-Sensitive ☐
Information ☐
Sensitive ☐
Non-Sensitive ☐
Other ☐

DISTRIBUTION

Compliance ☒
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Litigation ☐
Closed MUR Letters ☐
Status Sheets ☐
Advisory Opinions ☐
Other (see distribution below) ☐

BEFORE THE FEDERAL ELECTION COMMISSION

APR 17 1 30 PM '97

In the Matter of

National Republican Senatorial Committee and
Stan Huckaby, as treasurer
American Defense Foundation, Inc., et al.

MUR 3774

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On August 1, 1995, the Commission found reason to believe, inter alia, that the American Defense Foundation, Inc., ("ADF") violated 2 U.S.C. § 441b(a) by making prohibited in-kind corporate contributions to a federal candidate, to the National Republican Senatorial Committee ("NRSC"), or to both, as a result of coordinating get-out-the-vote activity ("GOTV") with or through the NRSC in 1992. The Commission on the same date approved a subpoena for documents and an order for written answers to be sent to ADF.

A review of documents produced by ADF pursuant to the Commission's subpoena and order, and to several follow-up contacts, has revealed that ADF may also have engaged in coordination of GOTV activities which targeted six additional federal elections in 1992, as well as the 1993 Texas special election and runoff election for the United States Senate. On February 4, 1997, the Commission approved a second subpoena for documents and order for written answers to be sent to ADF seeking additional information concerning the organization's use of vendors and consultants. On that same date, the Commission also approved subpoenas for depositions for twenty-three

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individuals, including an ADF employee, John Isaf, and an ADF consultant, John Grotta, who were involved in some or all of ADF's GOTV undertakings.

Responses to the second subpoena for documents and order for written answers sent to ADF were received on February 21, 1997. An examination of ADF's most recent responses, and interviews with two former employees of ADF and/or its related organization, the American Defense Institute ("ADI"), indicate that John Isaf was one of two ADF/ADI employees who would likely have the most specific knowledge about ADF's GOTV activities and its contacts with candidates and the NRSC.¹ Mr. Isaf was ADF's Director for Public Affairs/Programs in 1992 and 1993.

Given Mr. Isaf's importance to the investigation, this Office believes that it is critical to obtain from him, prior to his deposition, any relevant documents in his possession which have not already been produced by ADF, such as his desk calendars. Although the Commission has already approved a deposition subpoena for Mr. Isaf, this Office believes that a document request is also now necessary. Consequently, this Office recommends approval of the attached subpoena for deposition and for production of documents. (See Attachment 1.)

Similarly, an examination of the most recent subpoena responses received from ADF and the NRSC, plus a comprehensive review of relevant committee disclosure reports, has revealed that John Grotta, ADF's mail consultant for some of its GOTV activity, provided consulting services for the NRSC and for two of the 1992 candidates

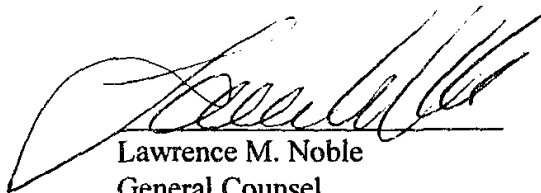
¹ Michael McDaniel, former ADF/ADI Executive Director, is the other ADF employee identified in interviews as having more specific knowledge about the organization's GOTV activities. ADF's document production has included many documents kept or authored by Mr. McDaniel, such as his desk calendars.

featured in ADF's GOTV mailings at the same time he was working for ADF. Moreover, ADF's newest response indicates that Mr. Grotta played a larger role in ADF's GOTV activities than evidenced in ADF's initial discovery responses. Specifically, ADF has now produced documents revealing an additional \$25,000 payment to Mr. Grotta in October, 1992. Previous ADF documents had shown only \$6,245 in payments from ADF to Mr. Grotta in connection with ADF's Military Voter Program. In light of this new information, it is essential to obtain from Mr. Grotta any relevant documents within his possession or control before his deposition. Thus, a document request needs to be added to the subpoena for deposition already approved by the Commission. This Office recommends that the Commission approve the attached subpoena for deposition and for the production of documents to be sent to Mr. Grotta. (See Attachment 2.)

II. RECOMMENDATIONS

1. Authorize the attached subpoenas to be sent to John Grotta and John Isaf.
2. Approve the appropriate letters.

9/16/97
Date


Lawrence M. Noble
General Counsel

Attachments

1. Subpoena for John Isaf
2. Subpoena for John Grotta

Staff Members Assigned: Dawn Odrowski and Anne Weissenborn


2004-09-16 10:02



FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/BONNIE J. ROSS 
COMMISSION SECRETARY

DATE: APRIL 22, 1997

SUBJECT: MUR 3774 - GENERAL COUNSEL'S REPORT
DATED APRIL 16, 1997.

The above-captioned document was circulated to the
Commission on Thursday, April 17, 1997.

Objection(s) have been received from the
Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens	<u>XXX</u>	- <u>FOR THE RECORD ONLY</u>
Commissioner Elliott	<u> </u>	
Commissioner McDonald	<u> </u>	
Commissioner McGarry	<u> </u>	
Commissioner Potter	<u> </u>	
Commissioner Thomas	<u> </u>	